

**St. Helens Community Health Center**  
**Notes to Financial Statements**  
**June 30, 1996**

**Note 1-Summary of Significant Accounting Policies (Continued)**

**E. Income Tax**

The Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

**F. Grant Revenue**

Grant revenue is recorded as related expenses are incurred and the reimbursement requests are submitted to the grantor agency.

**G. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2-Restricted Cash**

Restricted cash consists of the following:

	<u>1996</u>	<u>1995</u>
State Health Demonstration grant cash remaining for mobile clinic and garage	\$48,518	\$708,000
La Breaux Cancer Task Force grant cash remaining for nurse's training	<u>2,472</u>	<u>      </u>
	<u>\$50,990</u>	<u>\$708,000</u>

**Note 4-Fair Values of Financial Instruments**

Disclosure of fair value information about certain financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value is required by Financial Accounting Standards Board Statement (FASB) No. 107, Disclosure About Fair Value of Financial Instruments. The following methods and assumptions were used in estimating fair values:

**Cash and Cash Equivalents**

The carrying amount reported in the balance sheet approximates fair value.

St. Helena Community Health Center  
Notes to Financial Statements  
June 30, 1996

**Note 5-Property and Equipment**

A summary of property and equipment at June 30, 1996 and June 30, 1995, is as follows:

	<u>1996</u>	<u>1995</u>
Furniture and Fixtures	\$29,114	\$12,793
Office equipment	64,851	71,825
Medical equipment	108,534	103,256
Automobiles	48,196	48,196
Mobile Clinic	<u>173,623</u>	<u>173,623</u>
	443,428	237,000
Less accumulated depreciation and amortization	<u>100,180</u>	<u>58,410</u>
Property and equipment, net	<u><u>343,248</u></u>	<u><u>178,590</u></u>

**Note 6-Lease**

The Center leases office space under an operating lease from St. Helena Parish Hospital Service District No. 1 at no cost to the Center. However, \$800 per month is paid for utilities.

**Note 7-Restrictions on Net Assets**

The Clinic reports gifts of cash - other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires due to the passage of time or the purpose for the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Temporarily restricted net assets are available for the following specific program services:

	<u>1996</u>	<u>1995</u>
Cash received from State for mobile clinic and garage	\$34,367	\$208,000
Cash received from La. Breast Cancer Task Force for nurse's training	<u>2,475</u>	<u>        </u>
	<u><u>\$36,842</u></u>	<u><u>\$208,000</u></u>

**St. Helena Community Health Center**  
**Notes to Financial Statements**  
**June 30, 1996**

**Note 8-Medical Malpractice Claims**

The Center has medical malpractice insurance up to \$1,000,000 per occurrence. As of the balance sheet date, the Center has no malpractice claims according to its coverage.

**Note 9-Concentrations of Credit Risk**

The Center is located in Greensburg, Louisiana. The Center grants credit without collateral to patients, most of whom are local residents and are insured under third-party payer agreements. Revenue from patients and third-party payors was as follows:

	<u>1996</u>	<u>1995</u>
Medicare	22.9%	20.6%
Medicaid	44.8	57.3
Sliding fee	19.3	11.7
Third-party insurance	<u>13.4</u>	<u>10.2</u>
	<u>100.0%</u>	<u>100.0%</u>

At various times during the year, cash and cash equivalents on deposit with one banking institution exceeded the \$100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash and cash equivalents, to minimize this potential risk.

**Note 10-Change in Accounting Method**

In the current fiscal year, the Center adopted the accounting treatment prescribed by Statement on Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, an organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Center has reclassified its financial statements to present the required classes of net assets. This change required a restatement of prior year's net assets to show temporarily restricted net assets of \$208,000 as of June 30, 1995. This reclassification had no effect on current net assets.

HAWTHORN, WARMOUTH & CARROLL, L.L.P.

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September 30, 1996

Report on Schedule of Federal and State Awards

Board of Directors  
St. Helena Community Health Center  
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the St. Helena Community Health Center for the year ended June 30, 1996, and have issued our report thereon dated September 10, 1996. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and GAO Circular A-133, "Audit of Institutions of Higher Education and Other Nonprofit Organizations." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the St. Helena Community Health Center taken as a whole. The accompanying Schedule of Federal and State Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yours truly,

*Hawthorn, Warmouth & Carroll, L.L.P.*

**St. Helena Community Health Center  
Schedule of Federal and State Awards  
Year Ended June 30, 1996**

<b>Federal Agency/Program</b>	<b>C.F.D.A. #</b>	<b>Expenditures</b>
U. S. Department of Health and Human Services *Community Health Center Program	93.234	\$449,550
<b>State Grants</b>		
Health Demonstration Grant		173,633
La Breast Cancer Task Force Grant		_____25
<b>Total federal and state expenditures</b>		<b><u>623,208</u></b>

\*Major Program

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September 10, 1996

**Report on Internal Control Structure Based on  
an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

Board of Directors  
St. Helens Community Health Center  
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the

**St. Helens Community Health Center  
Greensburg, Louisiana**

as of and for the year ended June 30, 1996, and have issued our report thereon dated  
September 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and  
Government Auditing Standards, issued by the Comptroller General of the United States. Those  
standards require that we plan and perform the audit to obtain reasonable assurance about  
whether the financial statements are free of material misstatement.

The management of the St. Helens Community Health Center is responsible for establishing  
and maintaining an internal control structure. In fulfilling this responsibility, estimates and  
judgments by management are required to assess the expected benefits and related costs of  
internal control structure policies and procedures. The objectives of an internal control structure  
are to provide management with reasonable, but not absolute, assurance that assets are  
safeguarded against loss from unauthorized use or disposition, and that transactions are executed  
in accordance with management's authorization and recorded properly to permit the preparation  
of financial statements in accordance with generally accepted accounting principles. Because of  
inherent limitations in any internal control structure, errors or irregularities may nevertheless  
occur and not be detected. Also, projection of any evaluation of the internal control structure to  
future periods is subject to the risk that procedures may become inadequate because of changes  
in conditions or that the effectiveness of the design and operation of policies and procedures may  
deteriorate.

In planning and performing our audit of the financial statements of the St. Helena Community Health Center for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the St. Helena Community Health Center in a separate letter dated September 30, 1995.

This report is intended for the information of the Board of Directors, management and the Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorn, Wagonwith & Lowell, L.L.P.*

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September 10, 1996

**Report on Compliance With Laws, Regulations, Contracts,  
and Grants Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

Board of Directors  
St. Helens Community Health Center  
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the

**St. Helens Community Health Center  
Greensburg, Louisiana**

as of and for the year ended June 30, 1996, and have issued our report thereon dated September 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the St. Helens Community Health Center is the responsibility of the Center's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of St. Helens Community Health Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.



This report is intended for the information of the Board of Directors, management, and the U. S. Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorn, Wagoner & Caswell, L.L.P.*

**HAWTHORN, WATMOUTH & CARROLL, L.L.P.**



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STEPHEN W. PEASE, JR., C.P.A.  
MICHAEL W. WATMOUTH, C.P.A.

September 30, 1996

**Report on The Internal Control Structure  
Used in Administering Federal Awards**

Board of Directors  
St. Helena Community Health Center  
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the

**St. Helena Community Health Center  
Greensburg, Louisiana**

as of and for the year ended June 30, 1996, and have issued our report thereon dated September 30, 1996. We have also audited the St. Helena Community Health Center's compliance with requirements applicable to major federal programs and have issued our report thereon dated September 30, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the St. Helena Community Health Center complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audits for the year ended June 30, 1996, we considered the Center's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Center's financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated September 30, 1996.

The management of the St. Helena Community Health Center is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the internal control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

#### Accounting Controls

General Ledger  
 Cash Receipts  
 Accounts Receivable  
 Purchasing  
 Cash Disbursements  
 Accounts Payable  
 Payroll  
 Property and Equipment

#### Administrative Controls

Political Activity  
 Davis Bacon  
 Civil Rights  
 Cash Management  
 Federal Financial Reports  
 Allowable Costs/Cost Principles  
 Administrative Requirements  
 Drug Free Workplace

#### Compliance

Types of services allowed or not allowed  
 Eligibility  
 Matching, level of effort, or surcharging  
 Reporting  
 Special tests and provisions  
 Financial reports and claims for advances and reimbursements  
 Amounts claimed or used for matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1986, the St. Helens Community Health Center expended 100% percent of its total federal awards under major programs.

We performed tests of controls, as required by OMB Circular A-113, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Center's major federal financial assistance programs which is identified in the accompanying schedule of federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal awards program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we have reported to the management of the St. Helens Community Health Center in a separate letter dated September 10, 1986.

This report is intended for the information of the Board of Directors, management, and the U. S. Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorn, Weymouth & Carroll, L.L.P.*

HAYTHORN, WAYMOUTH & CARROLL, L.L.P.



CERTIFIED PUBLIC ACCOUNTANTS

STATE LICENSE-PLUM ISLAND  
ISSUED BY BOARD OF ACCOUNTANCY, STATE OF  
FLORIDA LICENSE NO. 114-10048-000000

September 10, 1996

**Unqualified Opinion on Compliance With  
Specific Requirements Applicable to Major Programs**

Board of Directors  
St. Helena Community Health Center  
Greensburg, Louisiana

Members of the Board:

We have audited the financial statements of the

**St. Helena Community Health Center  
Greensburg, Louisiana**

as of and for the year ended June 30, 1996, and have issued our report thereon September 10, 1996.

We have also audited St. Helena Community Health Center's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advances and reimbursements; special tests and provisions; and amounts claimed or used for matching that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal and State Awards for the year ended June 30, 1996. The management of the St. Helena Community Health Center is responsible for the Center's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audit of Institutions of Higher Education and Other Nongovernmental Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the St. Helena Community Health Center's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the St. Helena Community Health Center complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or cost-sharing; reporting; claims for advances and reimbursements; special rates and provisions; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended June 30, 1965.

This report is intended for the information of the Board of Directors, management, and the U. S. Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorne, Heyman & Cavall, L.L.P.*

HANTRON, WAYBOTH & CARROLL, L.L.P.



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September 18, 1996

**Report on Compliance With The General  
Requirements - No Material Noncompliance Identified**

Board of Directors  
St. Helena Community Health Center  
Greensburg, Louisiana

Mission of the Board:

We have audited the financial statements of the

**St. Helena Community Health Center  
Greensburg, Louisiana**

as of and for the year ended June 30, 1996, and have issued our report thereon dated  
September 18, 1996.

We have applied procedures to test St. Helena Community Health Center's compliance with  
the following requirements applicable to its major program which is identified in the Schedule  
of Federal and State Awards for the year ended June 30, 1996.

Political Activity  
Davis Bacon  
Civil Rights  
Cash Management  
Federal Financial Reports  
Allowable Costs/Cost Principles  
Administrative Requirements  
Drug Free Workplace

Our procedures were linked to the applicable procedures described in the Office of  
Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning  
and Other Nonprofit Organizations." Our procedures were substantially less in scope than in  
such, the objective of which is the expression of an opinion on St. Helena Community Health  
Center's compliance with the requirements listed in the preceding paragraph. Accordingly, we  
do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the St. Helens Community Health Center had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Directors, management, and the U. S. Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorne, Weymouth & Carroll, L. L. P.*



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LEGISLATIVE MANAGER

St. Helena Community Health Center  
Greensburg, Louisiana  
June 28, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 066 2 6 991

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September 10, 1996

**Independent Auditor's Report**

Board of Directors  
St. Helena Community Health Center  
Greensburg, Louisiana

**Members of the Board:**

We have audited the accompanying statements of financial position of the

**St. Helena Community Health Center  
Greensburg, Louisiana**

as of June 30, 1996 and June 30, 1995, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of St. Helena Community Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the St. Helena Community Health Center as of June 30, 1996 and June 30, 1995, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 10, 1996, on our consideration of the St. Helena Community Health Center's internal control structure and a report dated September 10, 1996 on its compliance with laws and regulations.

The Center changed its method of financial reporting and financial statement presentation as discussed in Note 10 to the financial statements in 1996.

Yours truly,

*Hawthorn, Raymond & Carroll, L.L.P.*

**St. Helens Community Health Center**  
**Statements of Financial Position**  
**June 30, 1996 and June 30, 1995**

**A s s e t s**

	<u>1996</u>	<u>1995</u>
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$14,890	\$6,353
Restricted	55,793	259,009
	<u>70,683</u>	<u>315,362</u>
Receivables		
Accounts receivable (net of estimated uncollectibles of \$12,136 as of June 30, 1996 and \$18,000 as of June 30, 1995)	37,208	6,260
Estimated third-party payors	53,723	47,641
Grants receivable	23,713	21,821
	<u>114,644</u>	<u>75,722</u>
Inventory	18,019	8,786
Prepaid expenses	17,730	19,288
<b>Total current assets</b>	<b>229,048</b>	<b>308,545</b>
Property and equipment, net	243,328	181,631
<b>Total assets</b>	<b><u>572,376</u></b>	<b><u>590,176</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$77,478	\$38,052
Prior period unobligated federal funds		22,578
Accrued expenses	27,726	33,944
<b>Total liabilities</b>	<b>132,930</b>	<b>94,574</b>
<b>Net Assets</b>		
Unrestricted	425,369	218,127
Temporarily restricted	48,842	208,080
<b>Total net assets</b>	<b>474,211</b>	<b>426,207</b>
<b>Total liabilities and net assets</b>	<b><u>572,346</u></b>	<b><u>590,186</u></b>

The accompanying notes are an integral part of these statements.

**St. Helena Community Health Center**  
**Statements of Activities**  
**Years Ended June 30, 1998 and June 30, 1995**

	<u>1998</u>	<u>1995</u>
<b>Changes in Unrestricted Net Assets</b>		
<b>Revenue</b>		
Unrestricted		
Net patient revenue	\$308,257	\$277,680
Federal grant	448,350	424,701
School based center		21,821
Interest income from non-federal grant monies	<u>4,827</u>	<u>508</u>
<b>Total unrestricted revenue</b>	<b>761,434</b>	<b>724,710</b>
Net assets released from restrictions		
Temporarily restricted assets used for purposes intended	125,658	_____
<b>Total unrestricted revenue and other support</b>	<b>887,092</b>	<b>724,710</b>
<b>Expenses</b>		
Salaries and wages	424,278	341,897
Benefits	25,278	57,404
Medical supplies	53,808	38,753
Contractual services	14,251	91,688
School based center		21,821
Clinical and administrative expenses	128,026	86,144
Depreciation and amortization	48,681	44,084
Provision for bad debts	<u>12,680</u>	<u>3,500</u>
<b>Total expenses</b>	<b>766,132</b>	<b>685,968</b>
<b>Increase (decrease) in unrestricted net assets</b>	<b>120,960</b>	<b>(61,258)</b>
<b>Changes in Temporarily Restricted Net Assets</b>		
State grant		208,000
Other grants	9,508	
Net assets released from restrictions	<u>(173,658)</u>	_____
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>(164,150)</b>	<b>208,000</b>
<b>Increase in Net Assets</b>	<b>43,810</b>	<b>146,742</b>
<b>Net Assets, beginning of year</b>	<b>406,122</b>	<b>239,373</b>
<b>Net Assets, end of year</b>	<b><u>(401,141)</u></b>	<b><u>426,115</u></b>

The accompanying notes are an integral part of these statements.

**St. Helens Community Health Center  
Statements of Cash Flows  
Years Ended June 30, 1996 and June 30, 1995**

	<u>1996</u>	<u>1995</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$41,079	\$156,748
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	46,681	44,654
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(10,988)	(1,967)
(Increase) decrease in customer third-party payors	65,082	(29,768)
(Increase) decrease in grants receivable	(31,894)	34,450
(Increase) decrease in inventory	(7,513)	(2,308)
(Increase) decrease in prepaid expenses	1,524	(4,368)
Increase (decrease) in accounts payable	51,427	(38,597)
Increase (decrease) in prior period unobligated federal funds	(22,978)	
Increase (decrease) in accrued liabilities	2,682	8,716
<b>Net cash provided by operating activities</b>	<u>94,128</u>	<u>275,201</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(288,358)	(18,596)
<b>Net cash used by investing activities</b>	<u>(288,358)</u>	<u>(18,596)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(144,230)	256,605
<b>Cash and Cash Equivalents, beginning of period</b>	234,823	___288
<b>Cash and Cash Equivalents, end of period</b>	<u>90,593</u>	<u>256,893</u>

The accompanying notes are an integral part of these statements.

**St. Helena Community Health Center**  
**Notes to Financial Statements**  
**June 30, 1996**

**Note 1-Nature of Operations**

The St. Helena Community Health Center serves the medical needs of its patients in the St. Helena Parish and surrounding areas. The purpose of the Center is to provide health care at a reasonable cost to those who could not afford it financially.

**Note 2-Summary of Significant Accounting Policies**

**A. Net Patient Revenue**

The Center has a sliding fee plan for the patients without any third party payors and whose income levels fall within the sliding fee guidelines. The minimum payment is \$8.00 for a visit and \$6.00 for lab and other services.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated contractive adjustments under reimbursement agreements with third-party payors. Reconciling adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Center's 1985 and 1986 cost reports have not been audited by the Medicare fiscal intermediary.

**B. Property and Equipment**

Property and equipment acquisitions are recorded at cost. Property and equipment donated for center operations are recorded as additions to net assets at fair value at the date of receipt.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed on the straight-line method. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

**C. Debt and Cash Equivalents**

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

**D. Inventories of Supplies**

Inventories of drugs and other supplies are stated at the lower of cost (FIFO, first-out) or market.